



REGULAR AGENDA ITEM NO. 9.A.

FOR COUNCIL: July 14, 2025

WARD IMPACTED: Ward 6

SUBJECT: Consideration and Action on 1) a Resolution Approving an Agreement with Stark Excavating, Inc., for the Construction of the North Main Street Streetscape Project, in the Amount of \$13,179,900; 2) a Resolution Approving the First Amendment to the FY 2026 Utility Maintenance Project (Bid #2025-46) Agreement with George Gildner, Inc., in the Amount of \$550,000; 3) a Resolution Approving an Agreement with Crawford, Murphy & Tilly, Inc., for Professional Services Associated with the Streetscape Project, in an Amount Not to Exceed \$195,200; 4) a Resolution Approving an Amendment to a Prior Agreement for Professional Services, in the Amount of \$14,500, and a New Agreement for Additional Professional Services, in an Amount Not to Exceed \$32,000, Both with Crawford, Murphy & Tilly, Inc., for Lead Service Line Replacement within the Streetscape Project; and (5) An Ordinance Amending the Budget Ordinance for the Fiscal Year ending April 30, 2026, in the Amount of \$10,301,270.75 for the General Fund, \$12,300,873.25 for the Capital Improvement Fund, and \$264,236.37 for the Sanitary Sewer Fund, as requested by the Engineering Department and the Administration Department.

RECOMMENDED MOTION: The proposed Resolutions and Ordinance be approved.

STRATEGIC PLAN LINK:

- Goal 1. Financially Sound City Providing Quality Basic Services
- Goal 2. Upgrade City Infrastructure and Facilities
- Goal 6. Prosperous Downtown Bloomington

STRATEGIC PLAN SIGNIFICANCE:

- Objective 1d. City services delivered in the most cost-effective, efficient manner
- Objective 2a. Better quality roads and sidewalks
- Objective 6a. More beautiful, clean Downtown area

BACKGROUND: If approved, the City will enter into four (4) separate agreements related to the North Main Street Streetscape Project via four (4) separate resolutions as detailed below and amend the city budget to allocate funds from appropriate budget line items.

The City originally advertised the North Main Street Project as Bid #2025-43 to solicit competitive bids. The project is the first phase of the Downtown for Everyone Streetscape Plan. Bids were received until 10:00 A.M. on Monday, April 28, 2025, electronically via the City's e-Procurement Portal, *OpenGov*. The City received one bid from Stark Excavating, Inc. ("Stark"), totaling \$22,588,361.25 for the Base Bid and Additive Alternates 1 and 2. Accepting Alternate 3, which provided additional time to complete the project, in lieu of the Base Bid along with Additive Alternates 1 and 2, totaled \$18,617,111.25. Both award options were significantly over the anticipated amount for the project. On May 12, 2025, Council rejected the sole bid from STARK and waived technical bidding requirements to allow staff to attempt to negotiate an agreement with STARK for the construction of the North Main Street Project.

Since the rejection of the original bid in May 2025 (Resolution No. 2025-094), City staff, Stark, and Crawford, Murphy & Tilly, Inc. (“CMT”) have worked collaboratively to revise the project and bring it more in line with available funding, reducing the bid for the project substantially below the original \$18,617,111.25 cost through a combination of items. **In total, these adjustments save roughly \$4.8 million. Savings, in rounded numbers are as follows:**

Price reductions through negotiation: City staff worked with Stark and their subcontractors to explore alternative construction approaches, leading to a reduction of approximately \$1 million.

Using other contractors for specialized work: A significant portion of the project involves filling old vaults beneath the Downtown sidewalks. By utilizing the City's current Utility Maintenance Contract, this work is anticipated to be completed at a much lower cost, saving approximately \$800,000.

City in-house work: Staff from the Parks and Recreation Department and Public Works Department will perform portions of the project, including landscaping, removing outdated street furniture, and installing new amenities. While the materials (trees, plantings, new street furniture, etc.) will need to be purchased by the City in the future, this effort is estimated to reduce the overall project cost by approximately \$700,000. The procurement of these materials, estimated to be in the range of \$100,000 to \$150,000, will be brought to a future Council meeting for consideration or incorporated into the FY27 budget, depending on the timing of the work.

Scope adjustments: Staff made targeted reductions to certain project features that do not significantly alter the look, feel, or core infrastructure of the project. These include eliminating fiber conduit to individual buildings for future private use, removing some aesthetic “mood lighting” features by replacing lighted bike racks with standard racks and removing strip lights and globe lights (signature lighting at North Main Plaza remains), eliminating the redundant west-side water main (properties can connect to the existing east main via extended service lines), removing ornamental fencing along Main Street parking lots (can be added later if desired), removing an electric vehicle charging station at this time (conduit will still be installed to allow for future installation), and simplifying amphitheater seating at North Main Plaza to practical, cast-in-place concrete. These scope adjustments are anticipated to reduce the project cost by approximately \$1.7 million.

Contingency: Staff reduced the project's contingency amount from \$1.5 million to \$1 million and was comfortable doing so because of the reduction in the project scope. This saves \$500,000.

Resolution 1

If approved, the City will enter into an agreement with STARK for the construction of the project. Staff recommends awarding the negotiated Base Bid and both Alternates based on the prices summarized below. A complete listing of bid prices is available in the attached STARK Agreement.

- Base Bid (\$12,276,340)
 - The majority of the work in the project with a completion date of July 31, 2027.
- Alternate 1 (\$566,500)
 - Additive Alternate to add the ring structure in the North Plaza (600 block of North

Main Street).

- Alternate 2 (\$337,060)
 - Additive Alternate to replace the conduit system throughout the project for City-use fiber connections.
- **Total Construction Contract Award: \$13,179,900**

Funding for the negotiated agreement is proposed to come from multiple sources:

- General Fund: \$9,556,070.75
- Redeveloping Main Street Grant: \$1,999,602.50
- Stormwater Enterprise Fund: \$762,960.38
- Sewer Enterprise Fund: \$476,739.37
- Water Enterprise Fund: \$384,527
- **Total Construction Contract Funding: \$13,179,900**

Resolution 2

If approved, the City will amend the FY 2026 Utility Maintenance Project Agreement with George Gildner, Inc. (“GILDNER”) to include an additional \$550,000 to fund vault remediation work associated with the North Main Street Project.

On June 3, 2025, Council approved a construction agreement with GILDNER for the FY 2026 Utility Maintenance Project Agreement, in the amount of \$1,715,865, which was below the budgeted amount of \$1,767,638.90. During the negotiations with STARK described above, staff identified cost savings by removing vault remediation work from the proposed Streetscape contract and instead incorporating that work into the FY 2026 Utility Maintenance Project.

The cost of the vault remediation work exceeds the amount in the original Utility Maintenance agreement. This agreement amendment adds \$550,000 to the Capital Improvement Fund to support the Utility Maintenance Project and cover the anticipated vault remediation work. By completing this work under the Utility Maintenance Project, the City can help lower the overall project cost and contribute to a more acceptable bid price. Four additional Sewer accounts referenced in the original memo will remain unchanged under this amended agreement.

Resolution 3

If approved, the City will also enter into an agreement with CMT for \$195,200 to be paid from the Capital Improvement Fund to provide professional services for the North Main Street Streetscape project as recommended by the Engineering Department. A detailed Scope of Services is provided in the attached agreement. Generally, the professional services in this proposal fall into one of two general categories:

1. Services provided following the rejection of the initial construction bid, including leading negotiation efforts with the potential Contractor, value engineering reviews, and associated plan modifications; and
2. Engineering support to supplement construction administration by City staff with tasks such as structural engineering design assistance, shop drawing review, and preparing responses to Contractor Requests For Information. CMT may request the services of Massie Massie & Associates for landscape architecture and streetscape-related items.

Resolution 4

If approved, the City will amend a prior agreement for Professional Services, in the Amount of \$14,500 to be paid from the Water Fund, and enter into a new agreement for additional professional services, in an amount not to exceed \$32,000, both with CMT, for Lead Service Line Replacement within the Streetscape Project. The amendment to a prior 2024 design services agreement covers assistance from CMT during the project bidding phase and value engineering evaluation during negotiations and includes the following:

1. Bidding Services
 - a. Address bidder questions.
 - b. Prepare and issue addenda as required.
 - c. Record bids and prepare/distribute bid tabulation.
 - d. Evaluate bidding unit prices.

2. Value Engineering Services
 - a. Meet with City staff to review the bids and develop a list of potential scope reductions.
 - b. Internal project review meeting to discuss contractor value suggestions.
 - c. Revised construction documents to reflect the value engineered project scope.
 - d. Meet with City staff to review the updated documents.
 - e. Complete final updates and send to the selected contractor for revised bidding proposal

The new agreement covers construction phase engineering services by CMT and includes the following:

1. Construction Services (back-office support)
 - a. Shop drawing review.
 - b. Responding to requests for information and changes during construction.
 - c. Project correspondence.
 - d. Project record documents.

2. Construction Services (On-site support)
 - a. Pre-construction meeting.
 - b. Part-time on-site observation.
 - c. Attend watermain testing activities.
 - d. Prepare substantial completion punch list.

Budget Amendment: This amendment allocates the funds from appropriate budget funds to cover the costs listed above.

COMMUNITY GROUPS/INTERESTED PERSONS CONTACTED: N/A

FINANCIAL IMPACT: If approved, the City will enter into four (4) separate agreements related to the North Main Street Streetscape Project via four (4) separate resolutions as detailed below:

Resolution 1

- General Fund: \$9,556,070.75
- Redeveloping Main Street Grant: \$1,999,602.50

- Stormwater Enterprise Fund: \$762,960.38
- Sewer Enterprise Fund: \$476,739.37
- Water Enterprise Fund: \$384,527.00

A purchase order totaling \$13,179,900 with Stark Excavating, Inc:

1. Capital Improvement-Other Capital Improvement account (40100100-72620) for \$11,555,673.25.
2. Storm Water-Sewer Construction & Improvement account (53103100-72550) for \$762,960.38.
3. Sanitary Sewer-Sewer Construction & Improvement account (51101100-72550) for \$476,739.37.
4. Water Transmission & Distribution-Water Main Construction & Improvement account (50100120-72540) for \$384,527.

Resolution 2

The City will amend an agreement with Gildner for the FY 2026 Utility Maintenance Project (Bid #2025-46), from the amount of \$1,715,865 to \$ 2,265,865. The \$550,00 for the amended contract with Gildner will be paid from the Capital Improvement Fund-Other Capital Improvement account (40100100-72620).

Resolution 3

The City will enter into an agreement with CMT in the amount of \$195,200 for a Professional Services Agreement Associated with the Streetscape project. The \$195,200 for the amended contract with CMT will be paid from the Capital Improvement Fund-Architectural & Engineering Services for Capital account (40100100-70051).

Resolution 4

The City will amend a Prior Agreement for Professional Services, in the Amount of \$14,500, and enter into a new agreement for additional professional services, in an amount not to exceed \$32,000, both with CMT, for Lead Service Line Replacement within the Streetscape Project. The additional Professional Services of \$14,500 with CMT will be paid from Water Transmission & Distribution Architectural & Engineering Services for Capital account (50100120-70051).

Stakeholders can locate information on Capital Projects in the FY 2026 Budget Book titled "Other Funds & Capital Improvement" on pages 227-230.

Please see the "Exhibit" for all related budget amendments & transfers for this item.

Respectfully submitted for consideration.

Prepared by: Phil Allyn, Traffic Engineer

ATTACHMENTS:

- [ENG 1B Resolution 1](#)
- [ENG 1C Resolution 1 - Exhibit A](#)
- [ENG 1D Resolution 2](#)
- [ENG 1E Resolution 2 - Exhibit A](#)
- [ENG 1F Resolution 3](#)
- [ENG 1G Resolution 3 - Exhibit A](#)
- [WTR 1H Resolution 4](#)

WTR 1I Resolution 4 - Exhibit A - Amendment to Prior Agreement
WTR 1J Resolution 4 - Exhibit B - New Agreement
ENG 1K Ordinance
ENG 1L Ordinance - Exhibit A
ENG 1M Location Map